



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

BOOK REVIEWS AND NOTICES

Organized Banking. By EUGENE E. AGGER. New York: Henry Holt & Co., 1918. Pp. ix+385.

Present-day books on banking, intended like the work in question "for the student and general reader," are inclined to err on the side of excessive details of banking practice. The author of *Organized Banking* is determined that such a charge shall not be laid at his door. Starting with Professor Dunbar's *Theory and History of Banking* as his "basic structure" he confines himself largely to a discussion of abstract principles until the final chapters describing European and American banking are reached. He advises his readers who feel the need of "illustrative, concrete material" to resort to a "good book of readings like W. Hamilton's [obviously a slip for 'C. A. Phillips'] *Readings in Money and Banking*, or H. G. Moulton's *Principles of Money and Banking*."

On the whole the author has developed in a very creditable fashion the theories which underlie our present financial structure. He seems to proceed, however, on the assumption that his readers are conversant with the details of modern banking systems. The reviewer has serious doubts as to whether the average "student and general reader" possess such knowledge.

The first pages of the theoretical discussion are given over to a brief review of the modern productive system and the service rendered in it by banking institutions through the provision of the necessary funds. The author in connection with his discussion of the functions of savings, investment, and commercial institutions takes a much broader view of banking than is afforded by the time-honored aspect of the financing of merchandising. However, he straightway dismisses all but commercial banking operations from the realm of *Organized Banking*. One cannot study the activities of the modern department store of finance, whether it be called a bank or trust company, without being impressed with the fact that organized banking today, while still centered around the task of providing a spendable medium of exchange, does not confine itself to financing commercial operations. In one department this spendable medium is used in floating a new issue of securities; in another, for the purchase of mortgages; and in another, for speculation in securities.

Each of these groups of operations, as Professor Agger himself points out, is guided by its separate set of principles, differing from those he has laid down for the commercial banking activities but forming just as legitimate a part of what purports to be a discussion of organized banking as the term is understood today.

The first and third chapters are given over to a discussion of the general operations and the functions of a commercial bank. The second chapter brings out the familiar contrast between the bank note and the deposit. It contains some quite extensive digressions on the nature and functions of the loans, investments, and reserves of commercial institutions. Chapters iv and v take up the thread of the note-deposit discussion and set forth the principles governing the expansion and contraction of bank credit.

The chapters in which the principle of reciprocity of indebtedness is shown to apply to the workings first of domestic and then of foreign business transactions are much more readable inasmuch as the author here lapses from his quite strict adherence to pure theoretical analysis and fits his discussion into the real situation.

The thesis of the next two chapters is that the maintenance of a mobile and elastic credit structure depends on a proper mobilization and control of the reserves and the existence of a broad discount market. Then follows the concluding chapter of the theoretical discussion in which is outlined the type of banking system which is calculated to give the results pictured in the foregoing chapters as highly desirable.

The rest of the book is in decided contrast with what has gone before. Adherence to abstract discussion gives way completely to detailed description. The first of this group of chapters recites the most important features of the English, French, and German systems with a view "to learn by what means in practice they realize the desired ends." Here is furnished information which the unsophisticated reader could well acquire before reading the earlier chapters. No attempt is made to analyze these systems in the light of foregoing theories. Canada, in spite of frequent earlier allusions to her banking system, is omitted from this comparative survey.

The present system of the United States is described in three final chapters. The first of these, a résumé of banking before the enactment of the Federal Reserve Act, including an exposition of the National Monetary Commission's list of ills, is followed by a chapter giving an excellent summary of the act. In fact, the latter is so complete as to make almost superfluous the printing in the Appendix of its

exact text, together with the verbatim regulations and interpretations issued from time to time by the Federal Reserve Board. The final chapter describes the actual organization of the system and gives some interesting details of its operation down to June, 1917. In this case, as in that of the foreign banking systems, the reader is left to make his own application of the principles previously set forth.

G. W. DOWRIE

UNIVERSITY OF MINNESOTA

Readings in the Economics of War. Edited by J. MAURICE CLARK, WALTON H. HAMILTON, and HAROLD G. MOULTON. Chicago: The University of Chicago Press, 1918. Pp. xxxi+676. \$3.00.

Many of the books on the war are merely of ephemeral interest, but this volume is quite certain to be one which will last. The general attitude of the editors is thus stated: "This book is the expression, not merely of the economic side of the war, taken as a detached event, but rather of the part the war plays in the evolution of our economic institutions." Their idea of the functions of the book is as follows:

It is hoped that the book will meet three uses: First, it should be of value in connection with courses in the economics of war, whether such courses be designed as part of the training of the Student Army Training Corps or to give an appreciation to other students of the larger economic issues related to the war; second, it should do much to make the introductory course in economics of real significance in understanding the changing world in which we live; third, it should prove of interest to the general reader who is interested in the economic background of war, the economic basis of military efficiency, and the economic problems that will follow in the wake of the war.

Some idea of the scope of the volume may be obtained from a brief survey of the subjects treated. Under the economic background of war are considered: the nation as an economic unit, the pressure of population, economic imperialism, and commercial rivalry and special interests. An attempt is made to analyze the function of the nation in economic affairs and to show how the discriminatory policies of nations lead to war. The chapter on war as a business venture treats of the negative side, the profit side, and human attitudes, rational or otherwise. The editors seek to show what persons may gain from war and what various things, by no means all economic, may be considered as gains. The nature of modern warfare includes war under modern industrial conditions, the relation of science and industry to war, and the larger